

Historic, Archive Document

Do not assume content reflects current scientific knowledge, policies, or practices.

AD1761
A2F3

World Production and Trade

United States
Department of
Agriculture

Foreign
Agricultural
Service

Washington, D.C. 20250

Weekly
Roundup

WR 27-85

July 3, 1985

The Foreign Agricultural Service of the U.S. Department of Agriculture today reported the following developments in world agriculture and trade:

GRAIN AND FEED

SPAIN's 1985/86 total grain crop is estimated at 19.5 million tons, 3 percent lower than last year's record crop, according to the U.S. agricultural counselor in Madrid. Wheat production is estimated at 5.2 million tons, 10 percent below last year's record harvest, but 9 percent above the average level over the past five years. Barley production is estimated at 9.8 million tons, marginally below last year's record crop. The other grains, composed of corn, oats, rye, sorghum and rice, are estimated at a combined 4.4 million tons, 6 percent above last year. Favorable weather last fall and through the spring promoted good to excellent winter grain stands and resulted in above average winter grain yields.

DAIRY, LIVESTOCK AND POULTRY

AUSTRALIAN authorities have eased the restrictions imposed following an outbreak of fowl plague (avian influenza) in early June, according to the U.S. agricultural counselor in Canberra. The outbreak, the first since 1976, occurred in the State of Victoria. Discovery of the outbreak led to establishment of a control area of 15 kilometers around the originally infected area and various restrictions on interstate movement of poultry and products. The origin of the outbreak is uncertain, but wild birds are suspected.

In JAPAN, the Ministry of Agriculture, Forestry and Fisheries announced that the beef import quota for the first half of Japan Fiscal Year (JFY) 1985 would total 80,000 tons, 4,000 tons more than the same period last year. This increase in the quota is nearly one-half of the yearly 9,000-ton increase agreed upon in negotiations between Japan, the United States and Australia. The General Quota Category will be increased to 71,500 tons, of which 10 percent will be allocated to the Simultaneous Buy-Sell Program and 90 percent to the Livestock Industry Promotion Corporation. Japanese imports of quota beef during JFY 1984 were 150,000 tons; the United States supplied 38,500 tons of this amount and is expected to supply about 45,400 tons in JFY 1985.

-more-

LYNN K. GOLDSBROUGH, Editor, Tel. (202) 382-9442. Additional copies may be obtained from FAS Media and Public Affairs Branch, 5918-S, Washington, D.C. 20250. Tel. (202) 447-7937.

U.S. AGRIC. LIBRARY
RECEIVED
JUL 9 1985

NEW ZEALAND sold 20,000 tons of mutton to the SOVIET UNION in early June, the first mutton sale to the Soviets in two years. While the sale price was not disclosed, trade sources believe it was at/or slightly above NZ\$1000 per ton (US\$450). The mutton currently is being loaded, and this sale, together with recent sales of lamb and mutton to other countries, should ensure that the earlier tight cold storage situation is relieved.

COTTON

BRAZILIAN trade reports confirm that under the Brazilian-Nigerian barter agreement, NIGERIA has exchanged petroleum for a wide range of Brazilian manufactured products and agricultural commodities. Approximately 20,000 tons of cotton were exported to Nigeria during March and April as part of the agreement. Reportedly, further cotton exports are unlikely.

According to trade sources in JAPAN, U.S. cotton imports are likely to fall by as much as 25 percent during 1985/86 as the result of the widening price gap between U.S. cotton and that from other major suppliers. The larger than normal price gap is expected to hinder sales of Texas and Arizona grown varieties most seriously. China and Australia are two supplying nations most likely to increase their share of the Japanese market.

TOBACCO

NEW ZEALAND's total market for tobacco leaf has been declining slightly as a result of falling demand for cigarettes. The proportion of domestic leaf used has dropped sharply from nearly 45 percent in late 1978 to an estimated 30 percent in 1984. This change in blending is partly because of a change in consumer tastes. Lighter cigarettes, with less tar and nicotine, are now generally preferred. Unmanufactured tobacco imports from such countries as Zimbabwe, Brazil, Korea, Malawi, Thailand and the Philippines have increased, while tobacco imports from the United States have declined since 1981.

FRUITS

The U.S. agricultural counselor in Belgrade forecasts YUGOSLAVIA's 1985/86 production of dried prunes at 25,000 tons. This estimate is based on an expected increase in fresh plum output, continued high export demand and attractive producer prices. Because plums for drying were in short supply last season, the dried prune estimate for 1984/85 has been lowered to 16,775 tons.

In ITALY, 1984/85 citrus production is expected to total 3.0 million tons, down 19 percent from last year's record-setting harvest, but 18 percent above the 1982/83 crop, according to the U.S. agricultural counselor in Rome. Orange production in 1984/85 is estimated at 1.85 million tons, down 19 percent. Tangerine production is estimated at 350,000 tons and lemon production at 713,000 tons, down 26 percent and 17 percent, respectively.

-more-

SUGAR

The U.S. agricultural officer in Rio de Janeiro is forecasting BRAZIL's 1985/86 sugar production at 8.2 million tons raw value. This compares with an earlier forecast (see WR 19-85) of 8.8 million tons and a 1984/85 production outturn of 9.3 million tons. The new forecast was based on a recent announcement by the Sugar and Alcohol Institute (IAA), the agency responsible for regulating sugar production. Large world supplies and low international prices were cited as the reason for reducing the authorized sugar production level.

WOOD AND WOOD PRODUCTS

SWEDEN's forest products industry is the largest in Western Europe, with a projected 1985 harvest of approximately 64.0 million cubic meters. This industry is vital to Sweden's balance of trade since exports of wood products account for roughly 19 percent of the country's total exports on a value basis. The principal commodity produced and exported is softwood sawnwood (lumber). While Sweden's share of world softwood lumber output is approximately 4 percent, it accounts for 12 percent of world exports.

The U.S. agricultural attache in Stockholm projects Swedish production of softwood lumber in 1985 to equal 11.0 million cubic meters, down 7 percent from the previous year. Of that total, an estimated 69 percent (7.45 million cubic meters) will be exported. This is also down 7 percent from 1984 levels. By way of comparison, U.S. exports of softwood lumber in 1984 (3.74 million cubic meters) were equivalent to 5 percent of the total production of 73.0 million cubic meters.

Historically, the United States and Sweden have not been major competitors. The majority of U.S. wood exports are destined for Pacific Rim and Western Hemisphere nations, whereas Sweden's major customers are in Europe, North Africa and the Middle East. Like the United States, Sweden today is faced with declining exports due to overall slack world demand for most wood products.

UNITED STATES DEPARTMENT OF AGRICULTURE
WASHINGTON, D.C. 20250

OFFICIAL BUSINESS
PENALTY FOR PRIVATE USE, \$300

FIRST-CLASS MAIL
POSTAGE & FEES PAID
USDA-FAS
WASHINGTON, D.C.
PERMIT No. G-262

If your address should be changed _____ PRINT
OR TYPE the new address, including ZIP CODE and
return the whole sheet and/or envelope to:

FOREIGN AGRICULTURAL SERVICE, Room 4644 So.
U.S. Department of Agriculture
Washington, D.C. 20250

Selected International Prices

Item	:	July 2, 1985	:	Change from	:	A year
	:		:	previous week	:	ago
ROTTERDAM PRICES 1/		\$ per MT		\$ per bu.		\$ per MT
Wheat:						
Canadian No. 1 CWRS-13.5%.		N.Q.		--		200.00
U.S. No. 2 DNS/NS: 14%....		161.50		4.40		184.50
U.S. No. 2 S.R.W.		142.50		3.88		152.00
U.S. No. 3 H.A.D.....		166.00		4.52		181.00
Canadian No. 1 A: Durum...		176.00		4.79		192.00
Feed grains:						
U.S. No. 3 Yellow Corn....		126.00		3.20		160.00
Soybeans and meal:						
U.S. No. 2 Yellow.....		219.60		5.98		288.00
Brazil 47/48% SoyaPellets		144.00		--		182.00
U.S. 44% Soybean Meal....		136.50		--		188.00
U.S. FARM PRICES 3/						
Wheat.....		112.06		3.05		123.45
Barley.....		77.62		1.69		91.40
Corn.....		101.97		2.59		132.28
Sorghum.....		97.88		4.44 2/		113.10
Broilers 7/.....		1101.64		--		1367.07
EC IMPORT LEVIES						
Wheat 5/.....		81.90		2.23		84.70
Barley.....		72.65		1.58		72.95
Corn.....		67.90		1.72		79.20
Sorghum.....		84.50		2.15		79.20
Broilers 4/ 6/ 8/.....		164.00		--		163.00
EC INTERVENTION PRICES 7/						
Common wheat(feed quality)		152.75		4.16		175.45
Bread wheat (min. quality)7/		162.25		4.42		190.80
Barley and all						
other feed grains.....		152.75		--		175.45
Broilers 4/ 6/.....		1077.00		--		1147.00
EC EXPORT RESTITUTIONS (subsidies)						
Wheat		N.A.		--		12.75
Barley.....		N.A.		--		N.A.
Broilers 4/ 6/ 8/.....		96.00		N.Q.		104.00

1/ Asking prices in U.S. dollars for imported grain and soybeans, c.i.f., Rotterdam. 2/ Hundredweight (CWT). 3/ Twelve-city average, wholesale weighted average. 4/ EC category--70 percent whole chicken. 5/ Reflects lower EC export subsidy--down to 20.00 ECU/100 bag effective 9/14/83 from 22.50 ECU/100 bag set in 2/83. 6/ F.o.b. price for R.T.C. broilers at West German border. 7/ Reference price. 8/Reflects change in level set by EC. N.A.=None authorized. N.Q.=Not quoted. Note: Basis July delivery.